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PRESSRELEASE

InTiCa Systems AG publishes interim report for the first three months of 2019

Increase in Group sales and positive result

More than 5% growth in the automotive technology sector

Third series production started in Mexico

Outlook for 2019 confirmed

Passau, May 23, 2019 – InTiCa Systems AG (Prime Standard, ISIN DE0005874846, ticker IS7) today published the interim report for the first three months of 2019. Despite a persistently difficult market environment in the automotive industry, InTiCa was able to increase its sales and to achieve a positive quarterly result.

„It is particularly pleasing that we were able to escape the negative trend in the automotive sector in the first quarter. Thanks to our positioning and product portfolio, the Automotive Technology segment actually grew by more than 5%. The news from Mexico is also good: serial production started and both output and the volumes called off will rise continuously during the year. In view of this, our headcount has already been increased. Despite a slight drop in demand for inverters, sales in the Industrial Electronics segment were almost level with the exceptionally good prior-period quarter. Demand for EMC filters developed especially well“, comments Dr. Gregor Wasle, CEO of InTiCa Systems AG on the business development in the first quarter of 2019.

Earnings, asset and financial position

Overall, Group sales increased by 3.2% year-on-year to EUR 13.6 million (3M 2018: EUR 13.2 million). In the Automotive Technology segment, sales rose 5.7% year-on-year to EUR 10.3 million (3M 2018: EUR 9.7 million). Sales in the Industrial Electronics segment were slightly lower than in the prior-year period at EUR 3.4 million (3M 2018: EUR 3.5 million).

The ratio of material costs to total output was 53.9% in the reporting period, which was slightly below the prior-year level (3M 2018: 54.1%). By contrast, the personnel expense ratio (including agency staff) increased slightly from 25.3% to 25.5%.

EBITDA (earnings before interest, taxes, depreciation and amortization) showed a slight improvement of 4.3% year-on-year to EUR 1.51 million (3M 2018: EUR 1.45 million). The EBITDA margin therefore increased slightly from 11.0% to 11.1%. EBIT (earnings before interest and taxes) was EUR 0.3 million (3M 2018: EUR 0.4 million), so the EBIT margin declined from 2.8% to 2.1%. At segment level, Automotive Technology reported EBIT of EUR 0.3 million in the first three months of 2019 (3M 2018: EUR 0.1 million) and the Industrial Electronics segment reported EBIT of EUR 0.03 million (3M 2018: EUR 0.3 million).

The financial result was minus EUR 0.2 million in the reporting period (3M 2018: minus EUR 0.1 million), and tax expense was EUR 0.04 million (3M 2018: EUR 0.1 million). Group net income thus was EUR 0.1 million in the first three months (3M 2018: EUR 0.2 million). Earnings per share were EUR 0.02 (3M 2018: EUR 0.04).

Due to the high level of receivables on the reporting date, the operating cash flow was minus EUR 0.5 million in the first three months of 2019 (3M 2018: EUR 1.2 million). As a result of further investment to extend and modernize production and scheduled loan repayments, there was a total cash outflow of EUR 1.7 million in the reporting period (3M 2018: outflow of EUR 1.2 million). Due to the first implementation of IFRS 16, the equity ratio declined to 30.0% in the reporting period (December 31, 2018: 33.5%).

Outlook

“Net income was positive again in the past quarter. Following losses in the two previous quarters, we have therefore achieved an important milestone. Although margins are not yet in line with our long-term expectations, the measures introduced to raise efficiency and reduce costs should have an increasingly positive effect in the course of the year“, comments Günther Kneidinger, Member of the Management Board.

At the end of the first quarter of 2019, orders on hand were well above the prior-year level at EUR 88.0 million (March 31, 2018: EUR 59.8 million). 83% of orders were for the Automotive Technology segment (Q1 2018: 88%). Overall, the Board of Directors expects orders on hand to rise in the Automotive Technology segment and the Industrial Electronics segment.

Business performance in the first three months was in line with the Board of Directors’ expectations so it is retaining its outlook for fiscal 2019. At present, the Board of Directors assumes that, given a stable economic environment and taking into account the particular challenges of 2019, Group sales will rise to around EUR 54.0 million to EUR 58.0 million in 2019, while the EBIT margin will be between 1.5% and 2.0% The material cost ratio should be optimized further in both segments and the equity ratio should remain stable.

InTiCa Systems AG

The Board of Directors

About InTiCa Systems:

InTiCa Systems is a European leader in the development, manufacture and commercialization of inductive components, passive analogue switching technology and mechatronic assemblies. It operates in the Automotive Technology and Industrial Technology segments and has more than 700 employees at its sites in Passau (Germany), Prachatice (Czech Republic) and Silao (Mexico).

The Automotive Technology segment focuses on innovative products that raise the comfort and safety of cars, improve the performance of electric and hybrid vehicles and reduce carbon emissions. InTiCa Systems' Industrial Electronics segment develops and manufactures mechatronic assemblies for the solar industry and other industrial applications.

Forward-looking statements and predictions

This press release contains statements and forecasts referring to the future development of InTiCa Systems AG which are based on current assumptions and estimates by the management that are made using information currently available to them. If the underlying assumptions do not materialize, the actual figures may differ substantially from such estimates. Future developments and results are in fact dependent on a large number of factors; they contain different risks and imponderables and are based on assumptions that may not be accurate. We neither intend nor assume any obligation to update forward-looking statements on an ongoing basis as these are based exclusively on the circumstances prevailing on the date of publication.